

City and County of Denver, Colorado

# Denver, Colorado, Addresses Tenfold Increase in Marijuana Licensing Applications and Public Records Requests

The Mile High City of Denver is renowned for its mountainous beauty and proximity to world-class skiing. Nestled in the South Platte River Valley, just east of the Rocky Mountains, Denver's geographic location and transportation hubs have made it one of the country's most important trading centers. With a thriving business environment and strong local economy, Denver is one of the fastest-growing major cities in the country.

Surrounded by 200 named mountain peaks, including 32 peaks that top 13,000 feet, Denver's reputation as a rugged, outdoor-oriented community is well-earned. But it wasn't a difficult downhill ski run, precarious mountaintop summit, or thrilling section of whitewater that tested the city in 2014. It was a voter-approved amendment legalizing the sale of recreational marijuana – something that had never been done before in the United States.

After the vote, the eyes of the nation were fixed on Denver to see how the city would handle the challenge of implementing legalized recreational cannabis sale and consumption. For more than a decade, medical marijuana had been legal in Colorado – but volume was lower, supply was controlled, and availability was restricted. With the introduction of recreational marijuana, the scale of operations grew exponentially, almost overnight.

## Legalization of recreational marijuana creates enormous challenges

The Department of Excise and Licenses (EXL) is the central business and professional licensing department for the City and County of Denver, including marijuana licensing. EXL was tasked with a new, complex challenge: how to organize, implement, and manage a new licensure process with significantly higher volumes amid tight timelines – all while under the scrutiny of national and local media.

The department reviewed the current framework for issuing medical marijuana licenses and examined known weaknesses in the system, identifying areas that would be severely challenged by the much higher volume from recreational cannabis licensing. Because the vote to approve recreational cannabis was the first of its kind, EXL had no model to follow. "There were no best practices for us to look at in other jurisdictions or states to determine how people were handling marijuana licensing," said Deputy Director Judy Steele, Department of Excise and Licenses for the City and County of Denver.



### Population

619,968

### Challenge

Rapidly scaling cannabis licensing to accommodate a surge in licensing application requests

### Solution

Accela Cannabis Regulation

### Results

Cost savings of \$3.5 million over five years

Reduced cost for citizens doing business with the City and County of Denver

Improved communication with license applicants

Increased cross-agency efficiency

Improved reporting to rapidly handle media and agency inquiries



“The Accela Civic Platform has a lot of functionality and it’s very robust – it’s so much better than anything that we’ve ever had before. Within your workflow you can tell exactly where things are and how you’re progressing through the application.”

–Judy Steele, Deputy Director, Department of Excise and Licenses

Seemingly overnight, EXL experienced a dramatic increase in the number of records and documents. Customers tried to apply for licenses, but the infrastructure couldn’t handle the volume of requests. Call volume spiked, tying up staff members’ time. Agency staff were overwhelmed with requests for information from prospective business owners, administrators from other government jurisdictions and the media.

As requests grew exponentially, the average time to fulfill requests grew as well, making it difficult for EXL to respond in a timely manner. The onslaught of new marijuana applications consumed all available department resources and support for all other license types suffered. EXL began to fall short of the Mayor’s standards for improved Customer Response Guidelines, a key priority for city government.

### How Accela empowers the City and County of Denver

An Accela customer since 2009, EXL was already familiar with the power and capabilities of the Accela Civic Platform. The department had previously created a licensing process for issuing liquor licenses, complete with automated workflows and intelligent routing. EXL used its familiarity and expertise with liquor licensing to model much of the recreational marijuana licensing workflows. The system was configured to manage the unique nuances of EXL’s seven different types of medical and recreational marijuana licenses.

Although the knowledge and workflows gained from the city’s liquor licensing operations provided a valuable head start, the nature of the cannabis business demanded a more in-depth solution. With recreational cannabis, the department was required to track everything from general workflow and ownership to plant cultivation and even the specific THC chemical extraction processes used by manufacturers to create marijuana-derived products such as lotions, edibles and beverages.

“We’ve had to figure out these different types of uses and what should be inspected,” said Director Brad Buchanan, Denver Department of Community Planning and Development. “It has been a real adventure and challenge.”

### Increasing efficiency

Moving the city’s cannabis licensing operations to Accela produced three key benefits immediately: improved customer communication, having a single agency-wide data repository, and enhanced cross-department collaboration.

Improving customer communication was an important department goal, both to increase efficiency and deliver better customer service. Using Accela’s automated workflows, EXL was able to build significantly improved communication pathways to notify customers about upcoming license expirations, renewals and inspection results. Where previously these

### Marijuana Licensing Best Practices

Jurisdictions worldwide look to the City and County of Denver as an authority on marijuana licensing. The Department of Excise and Licenses offers the following advice for jurisdictions implementing a cannabis regulation program:

- Engage employees to help streamline internal processes, eliminate unnecessary steps and reduce response times
- Improve transparency of data to facilitate cooperation and collaboration with other departments
- Map document flow process for digital environment and repository
- Centralize data and deliver immediate online access to accurate information for effective service and reporting



communications were managed manually through a system of spreadsheets and Post-It notes, today the emails are handled automatically, resulting in significant time savings. Agency staff are now able to focus on customers instead of managing routine clerical tasks.

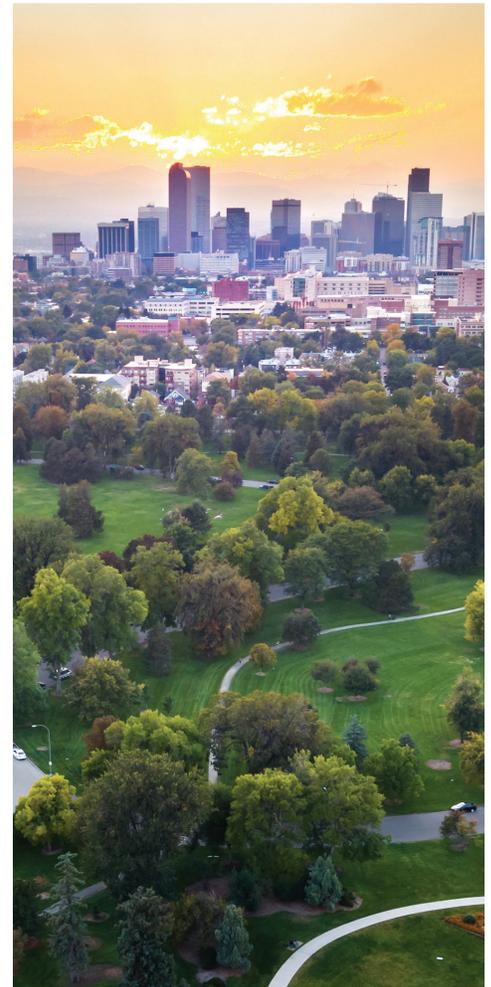
A second goal was to streamline the marijuana licensing process by centralizing all information in a single system. Previously, information was contained in a variety of separate databases and applications – or in a paper file on someone’s desk – making it difficult to locate when needed. With all information contained in one central location, EXL can now quickly locate information and confidently handle inquiries from the City Council, the Mayor’s office, other agencies or the media. Before, it could take several hours to research questions such as the number of applications issued, number of pending applications, or total applications by record type or location – that information is now easily obtainable and inquiries are quickly responded to.

Better data sharing across departments was another important initiative that was necessary to improve application response times. Using Accela, EXL was able to open its records to other departments and provide them with direct access. For example, city attorneys and the Denver Police Department, both of which work closely with EXL regarding marijuana-related issues, no longer have to visit the department to view paper files. Now, these departments instantly access and view the electronic records, saving countless hours for everyone involved.

Granting access to other departments also shortened application review times. “We have a couple of record types in our Accela database that have touchpoints with other agencies in the City,” said Judy Steele. “So we might start the application process for a certain record type, and then another agency will work a portion of it and then we’ll issue a license at the end. That has been a huge win for us.”

### Managing widespread economic growth

In addition to marijuana licensing, EXL handles approximately 180 different business license types including liquor, short-term rentals, security guards and food trucks. The department is also responsible for inspections and enforcement of business licensing requirements and the public hearing process that accompanies many business licenses.



As the legalized retail marijuana industry boomed, growth in other industries took off as well. The housing market, for example, skyrocketed as more people moved into the area. Similarly, significant increases are being seen in tourist-related industries as tourism has increased following legalization. EXL relied on Accela to handle the increased licensing volume across multiple licensing categories. Without the improvements and efficiency gains realized from marijuana licensing, the department would have struggled to manage the increased licensing load.

With improved efficiency, the Department's average time to complete an application or request has dropped from weeks to days, all while the application volume rose tenfold. Today, the department manages approximately 1,000 active marijuana licenses in Denver (Aug. 2019), which includes licensing for medical and recreational retail sales, cannabis cultivation, cannabis product manufacturing, transportation, and testing facilities.

At the end of 2018, there were 216 retail locations where medical and/or recreational marijuana could be purchased in Denver, and 340 licenses for medical or recreational retail sales (many locations have more than one license, for example, if both medical and recreational cannabis products are sold).

Now more than five years after recreational cannabis first became legal in Colorado, total cumulative recreational and medical marijuana sales in Denver have topped more than \$2.28 billion. In 2018, the city collected cannabis tax revenue of nearly \$47 million.

## Summary

In the face of rapidly increasing volume, The Department of Excise and Licenses implemented a successful marijuana licensing process using Accela Cannabis Regulation. Through efficiency improvements, a shared online application, and improved communication, agency staff were able to respond twice as fast to public record requests and a dramatically increased volume of new licensing applications compared to when the department first began accepting retail marijuana applications in 2013.

Due to efficiencies gained from using Accela for marijuana licensing, EXL has estimated cost savings of \$3.5 million over five years.

Denver's pioneering effort in regulating legal recreational cannabis has given other jurisdictions a valuable roadmap to follow. As of 2019, 23 states have legalized cannabis for medicinal use, with 11 additional states permitting recreational consumption in addition to medicinal use. Many of these jurisdictions have consulted with Denver for advice on improving their own licensing and regulation processes.

## About Accela

Accela provides market-leading SaaS solutions that empower governments worldwide to build thriving communities, grow businesses and protect citizens. From planning, building, licensing and permitting, service request management, environmental health and more, Accela's offerings accelerate efficiency and transparency in governments of all sizes. Powered by Microsoft Azure, Accela's open and flexible technology helps agencies address specific needs today, while ensuring they are prepared for any emerging or complex challenge in the future. Accela's solutions serve more than 80 percent of America's largest cities. Accela is headquartered in San Ramon, California, with additional offices around the world.

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